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In The

Supreme Court of the United States

October Term, 1988

JAMES STEWART, PATRICIA HITCHCOCK O'CONNELL and SAMUEL TAYLOR both as co-trustees of the Second Residuary Trust of the Last Will of ALFRED HITCHCOCK, MCA INC., and UNIVERSAL FILM EXCHANGES, INC.

Petitioners,

vs.

SHELDON ABEND, dba AUTHORS RESEARCH COMPANY,

Respondent.

BRIEF *AMICUS CURIAE* SUBMITTED BY COLUMBIA PICTURES INDUSTRIES, INC., MGM/UA COMMUNICATIONS CO., ORION PICTURES CORPORATION, PARAMOUNT PICTURES CORPORATION, TURNER ENTERTAINMENT CO., TWENTIETH CENTURY FOX FILM CORPORATION, THE WALT DISNEY COMPANY AND WARNER BROS. INC. IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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PREFATORY STATEMENT*

This brief is submitted by amici curiae Columbia Pictures Industries, Inc., MGM/UA Communications Co., Orion Pictures Corporation, Paramount Pictures Corporation, Turner Entertainment Co., Twentieth Century Fox Film Corporation, The Walt Disney Company and Warner Bros. Inc. in support of the petition for writ of certiorari. *Amici* respectfully urge the Court to grant the petition and to review the judgment and opinion of the United States Court of Appeals for the Ninth Circuit in *Abend v. MCA, Inc.*, 863 F.2d 1465 (9th Cir. 1988) (*"Abend"*). Review is necessary to resolve an irreconcilable inter-circuit conflict between *Abend* and *Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484 (2d Cir.), *cert. denied* 431 U.S. 939 (1977) (*"Rohauer"*), on a copyright issue of national importance left undecided in *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960).

INTERESTS OF AMICI

All *amici* (except one) produce, or finance production of, copyrighted motion pictures which they distribute for exhibition throughout the world.[1] In addition, as a result of their many years in the motion picture industry, *amici* each own large libraries of copyrighted motion pictures which they also distribute worldwide.[2]

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* Pursuant to Rule 36.1 of the Rules of this Court, copies of the written consents of all parties to the filing of this brief are submitted concurrently herewith.

1 *Amicus* Turner Entertainment Co.'s sole business is the distribution of such motion pictures.

2 These motion pictures include film classics representing virtually every genre and era of American film, from the silent films of the early 1900's to the sci-fi/special effects films of the 1970's. They represent, moreover, the best – and in several cases the only – works of legendary motion picture directors such as D. W. Griffith, Cecil B. DeMille,

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Many of *amici's* motion pictures are based, in part, on copyrighted literary works such as novels, plays and short stories (hereinafter "underlying works") that are subject to the same statutory copyright renewal provisions as those at issue in this case.[3] These motion pictures (hereinafter "derivative motion pictures") were produced, and are currently being distributed, under written assignments or licenses (hereinafter collectively "licenses") from the underlying works' authors. In most cases, these licenses granted *amici* or their predecessors the right to distribute and exhibit the motion pictures during both the original *and* renewal terms of the copyrights in the underlying works.

Hundreds – if not thousands – of these derivative motion pictures were based on underlying works whose

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and John Ford, motion picture screen writers such as Lillian Hellman, Frank Capra and Billy Wilder and motion picture actors and actresses such as Lon Chaney, Mary Pickford, Lillian Gish and John Barrymore.

Amici's motion pictures also represent massive economic investments. In 1941 the average cost to produce a feature length motion picture was $400,000; in 1949 it was in excess of $1,000,000; by 1972 it had risen to $1,890,000; and, today *amici's* average production costs are $17 million per picture. International Motion Picture Almanac at 36A (58th ed. 1986); *Pic Budgets Reach For The Sky*, Daily Variety, June 28, 1989 at 1.

[3] The Ninth Circuit's opinion involves the renewal provisions contained in the second proviso of section 24 of the Copyright Act of 1909, Pub. L. No. 60-349, Ch. 320, 35 Stat. 1075, 17 U.S.C. §§ 1 *et. seq.* (superseded 1978) (hereinafter "1909 Act"). These provisions were re-incorporated *verbatim* into section 304(a) of the General Revision of Copyright Law, Pub. L. No. 94-553, 90 Stat. 2541, 17 U.S.C. §§ 101 *et. seq.* (1976) (hereinafter "1976 Act"). Section 304(a) applies to all works that were in their first copyright term as of January 1, 1978.

authors (*i.e., amici's* licensors) died before the renewal terms of those underlying works.[4] *Rohauer* permits – but *Abend* prohibits – *amici's* continued distribution of these derivative motion pictures during the underlying works' renewal terms. Because all *amici* are subject to jurisdiction in the Ninth Circuit, the Ninth Circuit's *Abend* decision, if allowed to stand, will require *amici* to withdraw many of such derivative motion pictures from distribution in order to avoid continuing exposure to copyright infringement liability.[5] This Court's review is thus vital both to *amici's* rights to continue distributing these copyrighted motion pictures and to the public's interest in having continued access to these films.

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[4] The exact number of *amici's* derivative motion pictures now in distribution which are based on underlying works whose authors died before commencement of the renewal terms in those works is not currently known. Respondent, however, estimates that approximately *600* motion pictures fall into this category. Appellant's Opening Brief at 4. *See also MCA Loses Legal Ground In "Rear Window" Dispute*, Daily Variety, Dec. 28, 1988 at 1, 2 ("Attorneys for Abend say 'hundreds and hundreds' of films fall into a similar copyright situation . . . "). *Amici* believe that the actual number may be much higher.

[5] Nor is the impact of the Ninth Circuit's opinion limited only to motion pictures that are based upon, or incorporate, separately copyrighted *short stories* like Cornell Woolrich's "It Had To Be Murder." Motion pictures frequently incorporate numerous copyrighted works in addition to copyrighted short stories, including, for example, musical compositions, sound recordings, paintings, photographs, sculpture and famous characters from literature and comic books. The Ninth Circuit's opinion in *Abend* permits the owner of the renewal copyright in *any* of these underlying works whose author died before commencement of the renewal term to enjoin, and to recover huge monetary awards for, continued distribution of these motion pictures.

STATEMENT OF THE CASE

Respondent brought this copyright infringement action to enjoin petitioners' continued distribution of the classic 1954 Alfred Hitchcock motion picture entitled "REAR WINDOW," starring James Stewart and Grace Kelly ("the motion picture"), and to recover petitioners' profits from the 1983 re-release of the motion picture. (App. 4-5, 32-36). The evidence establishes that: (a) the motion picture was based in part on a copyrighted short story by Cornell Woolrich ("the short story") pursuant to a written license from Woolrich which granted the right to distribute the motion picture during the terms of both the original and renewal copyrights in the short story (App. 3-4); (b) Woolrich died unmarried and without children before the short story's renewal copyright term began (App. 4); (c) Woolrich's executor obtained a renewal copyright for the short story after Woolrich's death and in 1971 conveyed it to Abend (App. 4); (d) the copyright in the motion picture was validly renewed in 1982 (Petition 8); and (e) petitioners thereafter re-released their copyrighted motion picture for public distribution and exhibition in reliance on (i) their written license from Woolrich, (ii) their renewal copyright in the motion picture and (iii) the *Rohauer* opinion (App. 5; Petition 8-9). Finding these facts virtually identical to the material facts in *Rohauer*, the District Court, following *Rohauer*, granted summary judgment to petitioners. A divided panel of the Ninth Circuit, finding the reasoning of *Rohauer* unpersuasive, reversed.[6] A petition for rehearing was denied, and the petition for writ of certiorari followed.

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[6] The Ninth Circuit also rejected petitioners' fair use defense (App. 36-40). This brief does not discuss the fair use issue.

REASONS FOK GRANTING THE WRIT

I.

THIS COURT'S REVIEW IS VITAL BOTH TO THE RIGHTS OF MOTION PICTURE COPYRIGHT OWNERS TO CONTINUE DISTRIBUTING HUNDREDS OF DERIVATIVE MOTION PICTURES AND TO THE PUBLIC'S INTEREST IN HAVING CONTINUED ACCESS TO THESE FILMS

The Ninth Circuit's interpretation of the Copyright Act impacts far more than the rights of the parties in the single motion picture involved in this action. If allowed to stand, it will upset industrywide practices established more than a dozen years ago in reliance on *Rohauer* and will extinguish the rights of motion picture distributors like *amici* to continue distributing hundreds of other derivative motion pictures for viewing by the American public. This case thus presents a federal issue of national importance which merits this Court's review.

A. The Ninth Circuit's Majority Opinion Upsets Industrywide Practices Established Over A Dozen Years Ago In Reliance On *Rohauer*

As noted above, many of *amici's* derivative motion pictures were produced under licenses from authors of underlying works. These licenses expressly granted *amici* the right both to produce their derivative motion pictures and to distribute them during both the original *and* renewal terms of the underlying works. On January 7, 1977, in a significant case of first impression, *Rohauer* held that the owners of derivative motion pictures produced under such licenses may distribute them during the underlying works' renewal copyright terms even where the authors of those underlying works died before commencement of such renewal terms. In so holding, *Rohauer* expressly rejected the argument, accepted by the Ninth Circuit in this case, that such distribution may continue during an underlying work's renewal term only if the derivative motion picture owner purchases a *new license*

from the current owner of the renewal copyright in the underlying work.

In the twelve years since the *Rohauer* decision, *amici* and many others have distributed hundreds of derivative motion pictures produced under licenses from authors of underlying works who died before commencement of the renewal copyright term in those works. Moreover, they have done so, relying on *Rohauer, without* obtaining new licenses from the current owners of the underlying works' renewal copyrights. This reliance was well-placed: *Rohauer* stood as the only precedent during this entire twelve year period on the issue whether an author's death before the renewal term of his underlying work nullifies the rights of persons like *amici* to exploit during the renewal term separately copyrighted derivative works produced with the deceased author's consent.[7] *Abend*, however, now brands as infringements the long-standing distribution activities undertaken by *amici* in reliance on *Rohauer* and exposes *amici* and many others to enormous potential liability under the Copyright Act.[8]

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7 Indeed, eight years after the Second Circuit's decision in *Rohauer*, four members of this Court correctly characterized the holding of *Rohauer* as the "prevail[ing]" view. *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 183 n. 7 (1985) (White, J., dissenting). The majority in *Mills Music* did not disagree with this characterization.

8 The Ninth Circuit's opinion will affect not only derivative works created before January 1, 1978 (*i.e.*, the date the 1909 Act expired) but also derivative works created well into the next century. As noted above (note 3, *supra*), section 304(a) of the 1976 Act preserves the 1909 Act's two-tier renewal system for all works that were in their initial copyright term as of January 1, 1978. (*See* App. 29). The ultimate owners of the renewal copyrights in these works will not be known until twenty-eight years after commencement of their initial copyright terms, which in many cases will not be until the year 2005. The Ninth Circuit's

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B. The Ninth Circuit's Opinion Will Deprive Motion Picture Distributors Of Significant Economic Returns From Their Copyrighted Derivative Motion Pictures And Will Also Deprive The Public Of Access To Countless Classic Films

The Ninth Circuit's opinion in *Abend* does more than merely threaten *amici* and other derivative motion picture owners with liability for the past distribution of their derivative motion pictures. If allowed to stand, *Abend* will also snuff out *future* distribution and exhibition to the American public of these and many other derivative motion pictures.

Faced with the risk of lawsuits – which the Ninth Circuit's opinion sanctions – for distributing derivative motion pictures based on underlying works whose authors died before their renewal copyright terms, *amici* and other motion picture copyright owners will be forced to withdraw such derivative motion pictures from distribution to avoid continuing liability for copyright infringement.[9] This inevitable result will deprive the

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interpretation of the 1909 Act will thus apply to motion pictures produced through the year 2005 that are based on underlying works copyrighted before 1978.

9 Indeed, this is exactly what happened before the Second Circuit decided *Rohauer*. Prior to *Rohauer, amici* removed several of their highly successful motion pictures from distribution because they were concerned about the uncertain outcome of potential infringement actions by owners of renewal copyrights in underlying works. *See Mills Music*, 469 U.S. at 183-84 and n.8 (White, J., dissenting). These included "THANKS FOR THE MEMORY" (starring Bob Hope), "YOU CAN'T TAKE IT WITH YOU" (starring Lionel Barrymore and James Stewart), "THE MAN WHO CAME TO DINNER" (starring Monty Woolley) and many others. *Id.*; Jaszi, *When Works Collide: Derivative Motion Pictures, Underlying Rights and the Public Interest*, 28 UCLA L. Rev. 715, 740 (1981).

public of access to hundreds of derivative motion pictures – many of which are American film classics (*see* notes 2 & 9, *supra*) – and thus will frustrate the policy of the copyright law to encourage "broad public availability" of copyrighted works. (*See Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975)).[10]

The Ninth Circuit's opinion appears to recognize that a statutory construction with such an effect would be directly at odds with the policies underlying the copyright law. (*See* App. 27 n.15, 33). It concludes, however, that its interpretation of the copyright statute in this case will *not* force distributors to withdraw derivative motion pictures from the marketplace, reasoning that the motion picture copyright owner and the underlying work's renewal copyright owner will "likely" reach an economic accommodation permitting the motion picture owner to continue exploiting his work. (*Id.*). This unsupported conclusion is mistaken for two reasons.

First, the Ninth Circuit ignores the fact that motion pictures frequently incorporate a great variety of copyrighted works in addition to novels or short stories. Often musical compositions, sound recordings, paintings, sculpture, photographs, famous characters from literature and cartoons, film clips from other motion pictures and many other copyrighted works are incorporated into a motion picture. *See, e.g., Cohen v. Paramount Pictures Corp.*, 845 F.2d 851 (9th Cir. 1988) (musical composition incorporated in motion picture); note 5, *supra*. An inability to identify and locate the statutory successor to the renewal copyright in even one of these underlying works would subject the motion picture owner to the same risk of copyright infringement liability as that faced by petitioners here.[11] Given the large number of underlying

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10 One commentator aptly calls this forced withdrawal from the marketplace of derivative motion pictures "copyright death." Nevins, *Rx for Copyright Death*, 1977 Wash. U.L.Q. 601.

11 *See* Nevins, *supra*, note 10, at 607 n.40.

works, the lapse of time and the vagaries of private bequests and intestacy, it is virtually certain that motion picture copyright owners will be unable to find statutory successors to the renewal copyrights in one or more of these underlying works at the end of their respective initial copyright terms. To avoid copyright liability to these anonymous successors, the motion picture copyright owner will have no reasonable choice but to withdraw his derivative motion picture from distribution. *See Cohen, supra.*[12]

Second, despite the Ninth Circuit's optimism, it simply cannot be safely predicted that the statutory successors to the renewal rights in the underlying works on which a motion picture is based will "likely" reach an economic accommodation with the motion picture copyright owner for the continued exploitation of the motion picture. Some owners of underlying work renewal copyrights may refuse to negotiate, preferring instead to retire their copyrighted works, and all derivative works based

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12 As *Rohauer* recognized, there is nothing the derivative work owner can effectively do to protect himself *in advance* of the underlying work's renewal term against such "copyright death," because there is no way of telling who will qualify as the statutory successor to the underlying work's renewal copyright until the renewal term commences. *Rohauer*, 551 F.2d at 493; Bricker, *Renewal and Extension of Copyright*, 29 S. Cal. L. Rev. 23, 33 (1955). The Ninth Circuit's interpretation of the copyright statute's renewal provisions (as embodied in both §24 of the 1909 Act and §304(a) of the 1976 Act) thus builds a substantial amount of uncertainty into the statute. This result is directly at odds with Congress' "paramount goal" in passing the 1976 Act, namely "enhancing predictability and certainty of copyright ownership." *Community For Creative Non-Violence v. Reid*, 109 S.Ct. 2166, 2177 (1989).

thereon, from public use.[13] Others may make demands – like respondent's demand for 50% of petitioners' future gross proceeds in excess of advertising expenses (Petition 20) – which are so exorbitant that a negotiated economic accommodation will be impossible. In either case, to avoid copyright infringement liability, the derivative motion picture copyright owner will be forced to withdraw his film from distribution until the underlying work's renewal copyright expires.[14] This Court's intervention is necessary to avoid such a calamitous result.[15]

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[13] *See, e.g., Fox Film Corporation v. Doyal*, 286 U.S. 123, 127 (1931) ("The owner of the copyright, if he pleases, may refrain from vending or licensing and content himself with simply exercising the right to exclude others from using his property").

[14] The Ninth Circuit's suggestion that continued distribution of such motion pictures will not necessarily be *enjoined* (App. 31-36) is no solution to this dilemma. The *in terrorem* effect of potentially huge awards of damages and profits (17 U.S.C. §503) will force the withdrawal of these films from distribution as surely as will an injunction.

[15] Motion pictures are not the only works whose continued distribution will be affected by the Ninth Circuit's opinion. While motion pictures are virtually always derivative, and thus particularly susceptible to "copyright death" (*see* note 10, *supra*), they are hardly the only works which would be put at risk if the Ninth Circuit's opinion stands. Copyrighted plays adapted from copyrighted novels, copyrighted educational texts which incorporate copyrighted poems and songs, copyrighted sound recordings based on copyrighted musical compositions, and copyrighted audio cassette recorded readings of copyrighted novels, to name just a few examples, would be equally susceptible to just this sort of "copyright death." Review of the Ninth Circuit's opinion is thus vital for the protection and public enjoyment of a wide array of copyrighted derivative works in addition to motion pictures. *See, e.g., Mills Music*, 469 U.S. at 158 (one 1923 song licensed over 400 times to record companies to prepare derivative works).

II.

THIS COURT'S REVIEW IS NECESSARY TO RESOLVE THE IRRECONCILABLE CONFLICT BETWEEN THE SECOND CIRCUIT'S DECISION IN *ROHAUER* AND THE NINTH CIRCUIT'S OPINION IN THIS CASE

This Court should also grant the petition to resolve the irreconcilable conflict between the Ninth Circuit's opinion in this case and the Second Circuit's opinion in *Rohauer*. Indeed, it is difficult to imagine an inter-circuit conflict more worthy of this Court's review.

The facts here and in *Rohauer* are in all material respects identical. Both cases involve a derivative motion picture produced and distributed under license from the author of an underlying work who died before the underlying work's renewal term. Each license granted the right to distribute the derivative motion picture during the original and renewal copyright term of the underlying work. And in both cases the owner of the underlying work's renewal copyright sued the derivative motion picture copyright owner merely for distributing its motion picture pursuant to the terms of the license granted to it by the author of the underlying work. The Ninth and Second Circuits, moreover, both resolved the copyright infringement claims arising from these identical fact patterns by interpreting identical statutory provisions, *i.e.*, sections 7 and 24 of the 1909 Act.

Nor is this Court likely to benefit in a future case from the views of other circuits on the irreconcilable conflict presented here. *Amici* each have offices, and/or distribute their motion pictures, in Los Angeles. So, too, do most other motion picture distributors. Thus, future suits against such distributors for engaging in the type of distribution activities permitted by the Second Circuit in *Rohauer* – but prohibited by the Ninth Circuit in this case – inevitably will be brought only in the Ninth Circuit. The conflict between *Rohauer* and this case is thus not likely to

receive fresh examination in other circuits, and it is therefore ripe for immediate review and resolution by this Court.

III.

THIS COURT'S REVIEW IS NECESSARY TO CORRECT THE NINTH CIRCUIT'S ERRONEOUS INTERPRETATION OF SECTIONS 7 AND 24 OF THE 1909 ACT

This case presents a conflict between the owners of two separate and distinct copyrights, the copyright in the derivative motion picture (and the renewal thereof), owned by petitioners, and the renewal copyright in the underlying short story, owned by respondent. Despite the fact that section 7 of the 1909 Act confers on derivative works, such as petitioners' motion picture, all rights of "copyright under the provisions of this title" (1909 Act §7), the Ninth Circuit held that respondent's succession to the renewal copyright in Woolrich's short story permits respondent, under the provisions of sections 7 and 24 of the Act, to prevent petitioners from enjoying those rights. This Court's review is necessary to correct this statutory interpretation which, as Judge Thompson's dissent in *Abend* cogently explains, "just doesn't make sense." (App. 53).

A. The Ninth Circuit's Decision Directly Conflicts With The Statutory Language Of Sections 7 And 24

Section 7 of the 1909 Act provides:

> "Compilations or abridgments, adaptations, arrangements, dramatizations, translations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright under the provisions of this title . . . "

This language is plain and direct. It unequivocally confers on derivative works produced with the consent of the owner of a copyrighted underlying work the same status as all other works of authorship, *i.e.*, that of "new works subject to copyright under *the provisions of this title.*" Those "provisions", in turn, include the exclusive rights conferred by section 1 of the 1909 Act to, among other things, distribute and publicly perform (*i.e.*, exhibit) the copyrighted derivative works. 17 U.S.C. §§1(a), 1(d). They also include the right to enjoy and exploit these exclusive rights for two consecutive twenty-eight year terms. 17 U.S.C. §24 ("The copyright secured by this title shall endure for twenty-eight years . . . [plus] . . . a renewal and extension of the copyright . . . for the further term of twenty-eight years . . . ").

By classifying derivative works in section 7 as new works subject to independent copyright under the provisions of "this title" – and then granting *all* copyrights under that "title" two consecutive twenty-eight year terms – Congress clearly intended such derivative works to enjoy the same term of copyright protection, and the same exclusive rights, as all other works, *i.e.*, an original term of exclusive rights for twenty-eight years plus a renewal term extending those rights for an additional twenty-eight years. *Rohauer's* construction of sections 7 and 24 gives effect to this unmistakable Congressional intent by permitting the creator of an independently copyrighted derivative work to exploit the work throughout its entire original and renewal copyright terms, unencumbered by potential copyright infringement claims by the owner of the separate renewal copyright in an underlying work whose author has expressly consented to such exploitation, and then dies, before the underlying work's renewal term.

In contrast, *Abend's* interpretation of sections 7 and 24 utterly defeats Congress' intent that such independent derivative works enjoy the same two consecutive twenty-eight year copyright terms as enjoyed by all other copyrighted works. For, under the Ninth Circuit's statutory

construction, the two consecutive terms of exclusive rights granted to the creator of a copyrighted derivative work will be prematurely extinguished upon expiration of the original copyright term in any underlying work whose author dies before the end of that original term.

The pernicious consequences of the Ninth Circuit's erroneous statutory interpretation are graphically illustrated by the result in this case. Under the Ninth Circuit's construction, the copyright term for petitioners' 1954 motion picture, which otherwise would not have lapsed until 2010, came to an abrupt halt in 1970 upon expiration of the short story's original copyright term shortly after Woolrich's death. Instead of two consecutive twenty-eight year copyright terms, petitioners' motion picture received, according to the Ninth Circuit, only a *sixteen year* copyright term, a result directly at odds with the plain language of sections 7 and 24. It is no wonder that the commentators have described the statutory interpretation adopted by the Ninth Circuit as "perverse,"[16] "anomalous,"[17] "odd and peculiar"[18] and "an anachronism"[19] that "does not make sense."[20]

The Ninth Circuit purports to justify its disregard of the statute's clear language on the grounds that "the traditional copyright rule provides that a derivative copyright protects only the 'new matter' contained in the derivative work, not the 'old matter'." (App. 26 n. 14).[21]

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16 B. Kaplan, *An Unhurried View of Copyright* 112 (1969).

17 Note, *Renewal Rights, A Statutory Anachronism*, 10 W. Reserve L. Rev. 263, 272 (1959).

18 S. Spring, *Risks & Rights* 95 (1956).

19 Kupferman, *Renewal of Copyright – Section 23 of the Copyright Act of 1909*, 44 Colum. L. Rev. 712, 724 (1944).

20 *Abend v. MCA*, Copyright L. J., Feb. 1989, at 14, 16, 17.

21 This traditional rule, codified in sections 3 and 7 of the 1909 Act (and in §103(b) of the 1976 Act), prevents a derivative work from extending copyright protection for

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The Ninth Circuit's reliance on this traditional rule misses the mark. The issue here is not whether the derivative work's copyright "protects" – and hence extends the copyright monopoly in – the old matter incorporated into the derivative work. Rather, the issue is whether the copyright in a derivative work created with the consent of an underlying work's author grants the derivative work owner the right to continue to employ the old matter integrated into his derivative work for the derivative work's full original and renewal copyright terms. The rule that a derivative copyright does not *protect* old matter simply has no relevance to the issue whether the derivative work owner may continue to *use* the old matter incorporated in his work for the full duration of its two consecutive copyright terms.

B. The Second Proviso Of Section 24 Does Not Support The Ninth Circuit's Construction Of The 1909 Act

The Ninth Circuit rests its erroneous holding entirely on the second proviso of section 24. (*See* App. 18-25).[22]

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"old matter" beyond the limited period of the underlying work's initial and renewal copyright terms. *See* 1 M. Nimmer, *Nimmer on Copyright* § 3.04.

22 The second proviso of section 24 reads as follows:

> "The copyright secured by this title shall endure for twenty-eight years from the date of first publication . . . *provided further* . . . that . . . the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years . . . " (emphasis in original).

According to the Ninth Circuit, this statutory language not only vested the short story's renewal copyright in Woolrich's executor upon Woolrich's death, but also extinguished petitioners' rights to continue distributing and exhibiting their separately copyrighted motion picture during the story's renewal copyright term. As a result, holds the Ninth Circuit, respondent now owns, as the assignee of the renewal copyright in the story, an absolute right under section 24 either to veto the continued distribution and exhibition of petitioners' independently copyrighted motion picture, or to recover a judgment awarding him a substantial portion of the motion picture's revenues. (App. 18-25, 36). This holding is unsupported by the statutory language.

Section 24 – when read together with section 7's bestowal of independent copyright status on derivative works – clearly grants both to underlying works and to derivative works the rights to the same consecutive original and renewal copyright terms. The language of section 24 does not discriminate between such works in any way. It does not subordinate the original or renewal copyright term in *any* work to that of another, much less grant to an underlying work's renewal copyright owner the right to veto continued exploitation of independently copyrighted derivative works. Indeed, section 24 does not even *discuss* the relationship between underlying and derivative works. It does no more than define the length of the original copyright term and then create a statutory "hierarchy of people" who may renew the copyright at the end of its original term. *See Miller Music Corp. v. Charles N. Daniels, Inc., supra*, 362 U.S. at 376. There is thus simply no basis in the language of section 24 for relegating the copyright term for a derivative work, created with the express consent of the underlying work's author, to second class status.

Nor, significantly, does the Ninth Circuit cite any specific language in section 24 to support its interpretation of that section. Rather, purporting to rely on *Miller Music*, the Ninth Circuit in effect implies an exception to

the two terms of exclusive rights conferred on derivative work copyright owners by the above-quoted provisions of sections 7 and 24 whenever the author of an underlying work on which a derivative work is based dies before the underlying work's renewal term.

It is, however, well established that "implied exceptions to the express provisions of a statute are not favored."[23] The Ninth Circuit's attempt to construe the statute, by implying terms unexpressed in the statute and negating expressed terms, is thus impermissible, and should be corrected by this Court.

IV.

THIS COURT SHOULD GRANT CERTIORARI TO DECIDE AN IMPORTANT ISSUE OF COPYRIGHT LAW THAT WAS LEFT UNRESOLVED BY THE COURT IN *MILLER MUSIC CORP. V. CHARLES N. DANIELS, INC.*

As noted above, the Ninth Circuit based its interpretation of section 24 primarily on this Court's opinion in *Miller Music Corp. v. Charles N. Daniels, Inc., supra*. (*See* App. 22-25). In *Miller Music*, the Court held that an author's transfer of ownership of the renewal copyright in his work is unenforceable against the statutory successors to the renewal copyright if the author dies before commencement of the renewal term. According to the Ninth Circuit, however, *Miller Music* held that an author's death before the renewal term not only renders unenforceable his outright transfer of a renewal copyright but also renders unenforceable a license by the author to exploit during his work's renewal term a *separately* copyrighted derivative work based thereon. As Judge Thompson's dissent in *Abend* correctly points out, this reading of *Miller Music* is erroneous. (App. 44-45).

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[23] *United Brick & Clay Workers v. Deena Artware*, 198 F.2d 637, 644 (6th Cir. 1952).

Miller Music involved a dispute over ownership of the renewal copyright in a song whose author died before commencement of the renewal term. Plaintiff claimed to own the renewal copyright by virtue of an assignment executed in its favor by the song's author. Defendant claimed ownership under an assignment executed by the persons designated by section 24's second proviso as the statutory successors to the renewal copyright upon the author's death. The case did *not*, however, involve either a derivative work or an interpretation of section 7. Rather, as Rohauer properly observed in distinguishing *Miller Music*, the Court in *Miller Music* merely addressed "the relative rights of persons claiming full assignment . . . of the renewal term" of a *single* copyrighted work. *Rohauer*, 551 F.2d at 490.

In contrast here, as in *Rohauer*, two separately copyrighted works, each capable of being renewed under section 24, are involved. As Judge Thompson's dissent cogently explains, this distinction "is an important one." (App. 45). Where, as here, two valid and separately owned copyrights are involved, the Court must determine whether the statutory rights of one copyright owner are subordinate to the statutory rights of the other. In contrast, where only one copyright is involved – as was the case in *Miller Music* – the primacy of competing statutory rights is not in issue; the Court's only concern is who owns the statutory rights in the single work in dispute. *Id. See also Rohauer*, 551 F.2d at 490.

Because neither competing copyrights nor an interpretation of section 7 was involved in *Miller Music*, it is clear that *Miller Music* could not have resolved the question whether an author's death before the renewal term in his copyrighted underlying work voids, during that entire 28 year renewal term, all of the rights granted by sections 7 and 24 to the creator of an independently copyrighted derivative work. This Court's review is necessary to correct the Ninth Circuit's erroneous contrary conclusion and to settle once and for all the important question left undecided in *Miller Music*.

CONCLUSION

For all of the foregoing reasons, *amici* respectfully submit that the petition for writ of certiorari should be granted.

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